



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**TODD P. GRAVES**

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**FEBRUARY 23, 2006**  
**FOR IMMEDIATE RELEASE**

*Photos from today's press conference and audio comments from U.S. Attorney Todd Graves will be available online later today on the district's Web site at [www.usdoj.gov/usao/mow/index.html](http://www.usdoj.gov/usao/mow/index.html)*

## **REAL ESTATE INVESTOR PLEADS GUILTY TO \$20 MILLION MORTGAGE FRAUD**

**KANSAS CITY, Mo.** – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a real estate investor pleaded guilty in federal court today to orchestrating a property flipping scheme and mortgage fraud that involved nearly 300 fraudulent loans worth almost \$20 million.

**Brent Michael Barber**, 41, of Belton, Mo., pleaded guilty before U.S. District Judge Fernando J. Gaitan this morning to 104 counts contained in two federal indictments. Those indictments, as well as a third federal indictment for which Barber was convicted by a jury, involve separate schemes to defraud mortgage lending companies of millions of dollars.

"This is the largest mortgage fraud case ever prosecuted in this district," Graves said. "Today's guilty pleas encompass 289 fraudulent loans totaling \$19.6 million, as well as additional victims that were not charged in the indictments but will be considered by the court as relevant conduct at the time of **Barber's** sentencing. The total actual loss for the financial institutions that were defrauded by **Barber** was about \$11.8 million."

Graves added that many of the properties involved in the property-flipping schemes are in the downtown and midtown areas of Kansas City.

"As a direct result of this fraud, there are many vacant and deteriorating houses in low-income neighborhoods," Graves said. "The entire community suffers, because these abandoned properties result in more crime and blighted neighborhoods."

**Barber** pleaded guilty to the conspiracy count contained in each of the two federal indictments. He also pleaded guilty to 52 counts of interstate transportation of funds obtained by fraud and two counts of money laundering contained in the first indictment. He also pleaded guilty to 46 counts of interstate transportation of funds obtained by fraud and two counts of money laundering contained in the second indictment.

“**Barber** recruited people to purchase rental properties, assuring them that he would find renters for the properties and sell the properties a short time later, so that the victim-investors would have no financial risk and a guaranteed quick profit,” Graves said. “Then he provided false information on the loan documents and arranged for inflated appraisals in order to receive approval for the loans. Many of the buyers would not have qualified for the loans if true information had been given to the lenders.”

During the first conspiracy, from May through October 1999, **Barber** was a client of Ameriquest Mortgage in Gladstone. During that period, he conspired with co-defendants **Roderick Neil Criss**, 34, of Kansas City, who was the branch manager, and **Cauncey Calvert**, 35, and **Avonda Nicodemus**, 33, both of Kansas City, who were account executives, to defraud Ameriquest. **Criss**, **Calvert** and **Nicodemus** have all pleaded guilty to their roles in the conspiracy.

As a result of that conspiracy, Ameriquest Mortgage approved 66 fraudulent loans totaling \$4 million.

A second conspiracy began in October 1999, when Barber approached **Criss** and **Calvert** and suggested they set up a mortgage broker business to broker mortgage loans, giving **Barber's** loans precedence. **Chris** and **Calvert** agreed, launching Express Mortgage, Inc., through which **Barber** conspired with **Criss** and **Robert Dale Beckley**, 33, of Kansas City, to defraud lending institutions. **Criss** and **Beckley** have pleaded guilty to their roles in the conspiracy.

As a result of that conspiracy, lenders approved 233 fraudulent loans totaling \$15.6 million.

In two separate but related cases, real estate appraisers **Peggy Snodgrass**, 40, of Independence, who operated a business in Raytown, Mo., and **Phillip Thomas**, 50, of Kansas City-North, have pleaded guilty to providing artificially inflated appraisals on properties for which **Barber** was seeking mortgage loans.

“**Barber** earned millions of dollars through these schemes, but left financial institutions with millions of dollars in defaulted loans, and victim-investors with severely damaged credit,” Graves said.

In addition, Barber admitted he engaged in additional fraudulent real estate transactions involving both commercial and residential properties. These transactions involved more than \$2.7 million of additional loss.

Under federal statutes, **Barber** may be subject to a maximum sentence of up to five years in federal prison without parole for each of the two conspiracy counts, plus a fine up to \$250,000; up to 10 years in federal prison without parole on each of the 98 counts of interstate transportation of funds obtained by fraud, plus a fine up to \$250,000; and up to 10 years in federal prison without parole for each of the four money laundering counts, plus a fine up to \$250,000.

Under the terms of today's plea agreement, **Barber** also agreed not to appeal the jury's guilty verdicts in another federal indictment. On Dec. 2, 2005, **Barber** was found guilty of three counts contained in an Oct. 7, 2004, federal indictment.

That case involved a property flipping and mortgage fraud scheme while **Barber** was involved in the business of buying and selling real estate, doing business as KC Properties and KC Securities LLC. **Vernon David Williams**, 58, of Kansas City, was an employee of mortgage brokerage companies in Merriam, Kan., and Lee's Summit, Mo. **Williams** pleaded guilty to his role in the scheme.

The jury found that **Barber** conspired with **Williams** to defraud MILA, Inc., a mortgage lending company with its principal office in Mountlake Terrace, Wash., and Finance America LLC, a mortgage lending company with its principal office in Irvine, Calif., from July 24, 2004, to Sept. 16, 2004.

Under federal statutes, **Barber** may be subject to a maximum sentence of up to 15 years in federal prison without parole for that conviction, plus a fine up to \$750,000. **Williams** may be subject to a maximum sentence of up to 10 years in federal prison without parole, plus a fine up to \$500,000.

These cases are being prosecuted by Assistant U.S. Attorneys Linda Parker Marshall and Daniel M. Nelson. They were investigated by the Federal Bureau of Investigation, IRS-Criminal Investigation and the Department of Housing and Urban Development, Office of Inspector General, with cooperation of the Kansas City, Mo., prosecuting attorney.

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This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

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